

Corporate Risk Management Policy

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Executive Owner:	Martine Carter
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Related documents:	Corporate Risk Management Strategy Business Continuity Management Policy

Approval History

Version	Reviewed by	Reason for review	Approved by	Date
1.0	P Hopwood	First Draft		08/16
2.0	D King	Review/second draft		
	M Carter			
	EB sign off			

1 Introduction

1.2 Legislative context

- 1.1.1 The University is answerable to the OfS (Office for Students, formerly HEFCE) for the proper use of the funding they provide. The “Terms and conditions of funding for higher education institutions” , currently prescribes that “In accordance with the HEI’s own statutes and constitution, there should be effective arrangements for providing assurance to the governing body that the HEI has a robust and comprehensive system of risk management, control and corporate governance.”

1.2 Purpose

- 1.2.1 This policy outlines the key principles to be implemented by the University in the undertaking of effective risk management procedures and their necessary control and governance.
- 1.2.2 In accordance with the Terms and Conditions of funding for higher education institutions (OfS), this policy ensures that there are effective arrangements for providing assurance to the governing body that the University has a robust and comprehensive system of risk management.
- 1.2.3 This policy enables the University to meet the expectation of our Governing Boards with regards to Risk Management.
- 1.2.4 This policy enables effective Risk Management in order to benefit the University through operational improvement and informed strategic decision making.
- 1.2.5 This policy should be read in conjunction with the Corporate Risk Management Strategy and Corporate Risk Management Guidance documents, which provide additional, practical detail on the University’s approach to risk management.

1.1 Definitions

- 1.1.1 **Risk** – an uncertain event or situation which, should it occur, would have an adverse effect on the University’s ability to achieve its goals and objectives. Risks may relate to the wider external context, to the policy or funding landscape.
- 1.1.2 **Risk Management** – The systematic and proactive application of principles, approach and processes to the task of identifying, assessing and responding to risk. This includes determining and implementing appropriate responses and mitigating actions, to minimise the likelihood and impact of risks, whilst also maximising potential from emerging opportunities.
- 1.1.3 **Risk Appetite** – the level of risk an organisation is prepared to take to achieve its strategic objectives.
- 1.1.4 **Level 1 Risk** – have the potential to destabilise the University’s financial viability, reputation, operations, or ability to achieve its strategic objectives. They are the highest level risks the University faces and are categorised as operational, financial, legal or regulatory. They require pan university responses to effectively manage. They require pan university responses to effectively manage.
- 1.1.5 **Level 2 Risk** - have the potential to significantly affect a specific, major department or area of the University or a large University-driven project or programme. These risks may significantly contribute to, or provide a breakdown of Level 1 risks, but do not destabilise the viability, reputation or strategic objectives of the University on their own. They are managed either by either a single EB member or their direct reports, these are organised according to the structure of the University e.g. Estates or IT, and map to Level 1 risks.

2 Scope

- 2.1.1 This policy is aimed at supporting risk management processes for Level 1 and Level 2 University risks, although the principles can be, and are encouraged to be, applied to wider university functions where risk management activity occurs.
- 2.1.2 The principles described in this policy provide the foundation for risk management processes at the University. They must be adopted in all areas of Level 1 and Level 2 risk management activity and embedded it into business as usual risk management.
- 2.1.3 This policy does not provide guidance for the management of risk related to high impact operational incidents which would affect business continuity. This is covered by the [Business Continuity Management Policy](#).

3 Policy Principles

- 3.1 Risk management will be aligned to the University's aims, objectives and priorities. It will highlight all strategic and operational risks that may prevent the University from fulfilling its objectives.
- 3.2 Risk management will help the University's leadership to understand risks and participate in improved decision-making.
- 3.3 Risk Management will enable proactive, innovative and effective treatment of risks.
- 3.4 There will be a consistent approach to the identification, assessment and management of risks throughout the University.
- 3.5 Risk control and mitigation measures will be effective, appropriate, proportionate, affordable and flexible.
- 3.6 Risk Management will be embedded as a fundamental part of governance and leadership, affecting how the University is directed, managed and controlled.
- 3.7 Roles and responsibilities relating to the process and operational requirements of risk management will be clearly set out in the Corporate Risk Management Strategy.
- 3.8 Level 1 risks must be owned at executive level and Level 2 risks must be owned by an EB lead or their direct report.
- 3.9 Strategic Planning will hold the repository for the Level 1 risk register and EB members/their direct reports are expected to maintain their Level 2 risk registers.
- 3.10 There is a clear process for bringing significant issues to the attention of the Executive Board more rapidly when required.
- 3.11 Risk appetite will be determined and reviewed at least annually. The agreed risk appetite statement will be clearly communicated to all staff involved in risk management.
- 3.12 Clear risk management processes and guidance will be established, communicated and embedded for Level 1 and Level 2 risks. There may also exist different but aligned risk management processes at other levels e.g. small projects.
- 3.13 There will be a defined, regular review schedule of the University's exposure to Level 1 and Level 2 risk, with identification, assessment and response to relevant risks happening on an ongoing basis.

4 Governance Requirements

4.1 Implementation / Communication Plan

- 4.1.1 This policy will be communicated via the University's Corporate Policies website and the Strategic Planning intranet page. It will be communicated directly from the Risk Management Executive Owner and/or Operational Owner to members of the Executive Board and those responsible for Level 2 risk registers.

4.2 Exceptions to this Policy

- 3.2.1 The principles outlined in this policy are mandatory, however, departures from these standards may be justified if good risk management continues to be achieved. Departures from this policy and the accompanying strategy are to be fully explained on request.

4.3 Review and Change Requests

- 4.3.1 This policy will be reviewed every 3 years from the date of approval.
- 4.3.2 If minor changes are required before this date, which do not change the meaning of the policy or require a substantial re-write, these will be coordinated by the operational owner.
- 4.3.3 If a significant change is required before the review date, which alters the meaning of the policy this must be submitted via the full approval route.

4.4 Stakeholder Statements

4.4.1 Equality

The University is strongly committed to equality of opportunity and the promotion of diversity for the benefit of all members of the University community. Equality analysis is a tool which helps consider the effect of activities on different groups of people and to ensure that policies, decisions and services work well for everyone. The policy itself is considered to have a broadly neutral impact for groups with protected characteristics under the Equality Act 2010. Managing risk effectively, where it relates to an activity involving a particular group or community, will anticipate potential equality issues and allow them to be addressed. Equality analysis is recognised as a useful tool in assessing risk.

4.4.2 Health & Safety

Risk management, where it relates to Health and Safety, provides a method of identifying what might cause harm to people and assess whether reasonable steps are being taken to prevent that harm.